Assistant Secretary for Employment and Training Washington, D.C. 20210



# DEC 1 1 2012

The Honorable Lincoln D. Chafee Governor of Rhode Island State Capitol Building 82 Smith Street Providence, Rhode Island 02903

### Dear Governor Chafee:

This letter provides approval of Rhode Island's State Integrated Workforce Plan for Title I of the Workforce Investment Act (WIA), the Wagner-Peyser Act (W-P), including W-P Agricultural Outreach Plan, plans for coordination with Trade Adjustment Assistance (TAA), and Title V of the Older Americans Act. The Employment and Training Administration (ETA) received the State Integrated Workforce Plan on October 1, 2012. This letter also addresses Rhode Island's WIA waiver requests.

Training and Employment Guidance Letter (TEGL) No. 21-11, issued on March 27, 2012, and TEGL No. 21-11, Change 1 issued on August 8, 2012, provide guidance for states to submit their State Workforce Plans and waivers for Program Year (PY) 2012 and beyond. We appreciate the State's responsiveness to this guidance.

# Plan Review and Approval

ETA has reviewed the Rhode Island State Integrated Workforce Plan in accordance with Title I of WIA, the Wagner-Peyser Act, the Trade Act (as amended), the corresponding regulations, the State Integrated Workforce Plan Requirements for Workforce Investment Act Title I/Wagner-Peyser Act, and Department of Labor Workforce Programs (http://www.doleta.gov/usworkforce/wiaplanning/docs/integrated-planning-guidance.pdf), Title V of the Older Americans Act and corresponding regulations, TEGL No. 21-11, and the corresponding Change 1. Pursuant to 20 CFR 661.230(e), this letter constitutes a written determination under WIA Section 112 (29 USC 2822), and WIA section 501 (20 USC 9271) which pertains to State Unified Plans, that ETA is approving those portions of the Rhode Island State Integrated Workforce Plan that relate to Title I of WIA, the Wagner-Peyser Act, and TAA for Program Years 2012-2016, July 1, 2012 through June 30, 2017. The annual W-P Agricultural Outreach Plan is approved for the period July 1, 2012 through June 30, 2013. The Senior Community Service Employment Program (SCSEP) State Plan has been reviewed by both ETA and the Administration on Aging, and is approved for Program Years 2012-2015, July 1, 2012 through June 30, 2016. The State is eligible to receive WIA formula allotments for Adult, Dislocated Worker, and Youth programs, and W-P program allotments, effective July 1, 2012 through June 30, 2017.

# Performance Levels

Each year, the Regional Administrator negotiates the Program Year's WIA and W-P performance goals with each state. As required by TEGLs No. 21-11 and 38-11 dated June 18, 2012, negotiations must be completed by December 31, 2012 for PY 2012. ETA will incorporate Rhode Island's final performance goals for PY 2012 (attached) into the Regional and National Office copies of the State Integrated Workforce Plan. Please include these final PY 2012 goals in the State's official copy of the State Workforce Plan.

### Waivers

As part of Rhode Island's State Integrated Workforce Plan, the State submitted waiver requests for waivers of statutory and regulatory requirements under WIA (copy enclosed). The State's requests for waivers are written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c). The disposition of the State's waiver requests is outlined below. This action is taken under the Secretary's authority at WIA Section 189(i) to waive certain requirements of WIA Title I, Subtitles B and E, and Sections 8-10 of the Wagner-Peyser Act.

Waiver of the required 50 percent employer contribution for customized training at WIA Section 101(8)(C).

The State requested a waiver of the required 50 percent employer contribution for customized training to permit the use of a sliding scale for the employer contribution based on the size of the business. The State is granted an approval of this waiver through June 30, 2017. Under the waiver, the following sliding scale is permitted: 1) no less than 10 percent match for employers with 50 or fewer employees, and 2) no less than 25 percent match for employers with 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent contribution) continue to apply. When determining the funding source for customized training, the State must use the appropriate program funds for the appropriate WIA-eligible population. The State and local area may provide customized training to individuals 18 years of age or older with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the State and local areas may provide customized training to dislocated workers with WIA Dislocated Worker funds. Customized training provided with statewide funds must serve WIA eligible individuals.

Waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth.

The State requested a waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts (ITAs) for older youth and out-of-school youth program participants. The State is granted an approval of this waiver through June 30, 2017. Under this waiver, the State can use ITAs for older youth and out-of-school youth program participants. The State must continue to make the 10 youth program elements available as described at WIA Section 129(c)(2). The State should ensure that funds used for ITAs are tracked and that the ITAs are reflected in the individual service strategies for these youth.

# Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.

The State requested a waiver of the time limit on the period of initial eligibility of training providers provided at 20 CFR 663.530. The State is granted an approval of this waiver through June 30, 2017. Under the waiver, the State is allowed to postpone the determination of subsequent eligibility of training providers. The waiver also allows the State to provide an opportunity for training providers to re-enroll and be considered enrolled as initially eligible providers.

# Waiver of the State Workforce Board membership requirements at WIA Section 111(b).

The State requested a waiver that allowed a streamlined State Workforce Investment Board. The State is granted a waiver extension of the State Board membership requirements at WIA Section 111(b) effective July 1, 2011 through June 30, 2017. Under this waiver, the State will continue to meet the requirements for a business majority and a business chairperson, described in WIA Sections 111(b)(3) and 111(c), respectively.

# Waiver of WIA Section 134(a)(1)(A) to permit a portion of the funds reserved for rapid response activities to be used for incumbent worker training.

The State requested a waiver to permit use of rapid response funds to conduct allowable statewide activities as defined under WIA Section 134(a)(3), specifically incumbent worker training. The State is granted an approval of this waiver through June 30, 2017. Under this waiver, the State is permitted to use up to 20 percent of rapid response funds for incumbent worker training only as part of a layoff aversion strategy. ETA believes limiting incumbent worker training to layoff aversion is the best use of funds in the current economic climate where serving unemployed workers is a paramount responsibility of the workforce system. All training delivered under this waiver is restricted to skill attainment activities. The State is required to report performance outcomes for any incumbent workers served under this waiver in the Workforce Investment Act Standardized Record Data system (WIASRD), field 309. TEGL No. 26-09, Section 7A, "Workforce Investment Act (WIA) Waiver Policy and Waiver Decisions for PY 2009 and 2010" and TEGL No. 30-09, "Layoff Aversion Definition and the Appropriate Use of Incumbent Worker Training for Layoff Aversion Using a Waiver" provide policy guidance related to implementation of this waiver.

### Waiver of WIA Section 101(31)(B) to increase the employer reimbursement for on-the-job training.

The State requested a waiver to permit an increase in employer reimbursement for on-the-job training through a sliding scale based on the size of the business. The State is granted an approval of this waiver through June 30, 2017. Under the waiver, the following reimbursement amounts will be permitted: 1) up to 90 percent for employers with 50 or fewer employees, and 2) up to 75 percent for employers with 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent reimbursement) will continue to apply. When determining the funding source for on-the-job training, the State must use the appropriate program funds for the appropriate WIA-eligible population. The State and local area may provide on-the-job training to individuals 18 years of age or older with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the State and local area may provide on-the-job training to dislocated workers with WIA Dislocated Worker funds. On-the-job training provided with statewide funds must serve WIA eligible individuals.

Waiver of 20 CFR 666 and 667.300(a) to reduce the collection of participant data for incumbent workers.

The State requested a waiver of the requirements to reduce the data collection burden for employers participating in WIA-funded incumbent worker training programs. The waiver permits the State to discontinue the collection of the following Workforce Investment Act Standardized Record Data (WIASRD) elements: single parent (117), unemployment compensation eligible status at participation (118), low income (119), TANF (120), other public assistance (121), homeless individual and/or runaway (125), and offender (126). The State is granted an approval of this waiver through June 30, 2017.

Waiver of the WIA regulations at 20 CFR 666.100 to exempt the state from including credential attainment outcomes for participants enrolled in on-the-job training in the credential performance measure calculations.

The State requested a waiver to exempt it from including credential attainment outcomes in the credential performance measure calculations for participants enrolled in on-the-job training. The State is granted an approval of this waiver through June 30, 2017. The State must continue to report outcomes in the Workforce Investment Act Standardized Record Database (WIASRD) for participants enrolled in on-the-job-training.

Waiver of WIA Section 134(a) to permit local areas to use a portion of local funds for incumbent worker training.

The State requested a waiver to permit local areas to conduct allowable statewide activities as defined under WIA Section 134(a)(3) with local WIA formula funding, specifically incumbent worker training. The State is granted this waiver through June 30, 2017. Under this waiver, the State is permitted to allow local areas to use up to 20 percent of local Dislocated Worker funds for incumbent worker training only as part of a layoff aversion strategy. ETA believes limiting incumbent worker training to the specified level and requiring it to be a part of layoff aversion is the best use of funds in the current economic climate where serving unemployed workers is a paramount responsibility of the workforce system. All training delivered under this waiver is restricted to skill attainment activities. Local areas must continue to conduct the required local employment and training activities at WIA Section 134(d), and the State is required to report performance outcomes for any individual served under this waiver in the Workforce Investment Act Standardized Record Data system (WIASRD), field 309. TEGL No. 26-09, Section 7A, "Workforce Investment Act (WIA) Waiver Policy and Waiver Decisions for PY 2009 and 2010" and TEGL No. 30-09, "Layoff Aversion Definition and the Appropriate Use of Incumbent Worker Training for Layoff Aversion Using a Waiver" provide policy guidance related to implementation of this waiver.

Waiver of WIA Section 134(a)(2)(B)(ii) and 20 CFR 665.200(d)) to exempt the state from the requirement to conduct evaluations.

The State is requesting a waiver of the requirement to conduct evaluations of workforce investment activities for adults, dislocated workers, and youth in order to establish and promote continuous improvement of the statewide workforce investment system. The State is granted this waiver

effective July 1, 2011 through June 30, 2013.

Waiver of WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) to exempt a state from the requirement to provide local workforce investment area incentive grants.

The State is requesting a waiver of the requirement to provide local workforce investment areas incentive grants to reward regional cooperation, local coordination of activities, and exemplary performance. The State is granted this waiver effective July 1, 2011 through June 30, 2013.

The approved waivers are incorporated by reference into the State's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and are incorporated into the State Integrated Workforce Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and with the approved State Plan. In addition, as described in TEGL No. 29-11, the State should address the impact these waivers have had on the State's performance in the WIA annual performance report, due on October 1 of each year.

We look forward to working together as you implement your State Integrated Workforce Plan for PY 2012 and beyond. Thank you for co-branding as a proud partner of the American Job Center network; we are available to provide technical assistance as needed. If you have any questions related to the issues discussed above, please contact Scott Slankard, the Federal Project Officer for Rhode Island, at (617) 788-0128 or Slankard.Scott@dol.gov.

Sincerely,

Assistant Secretary

**Enclosures** 

cc: Holly O'Brien, Regional Administrator, ETA Boston Regional Office

Scott Slankard, Federal Project Officer for Rhode Island

# Rhode Island Workforce Investment Act (WIA) and Wagner-Peyser (W-P) Act Performance Goals Summary Program Year (PY) 2012

Performance Measures	Final Negotiated Goals
WIA Adults	
Entered Employment	69.0%
Retention	86.4%
Average Earnings	\$11,503.40
Credentials	62.3%
WIA Dislocated Workers	
Entered Employment	76.4 %
Retention	88.9%
Average Earnings	\$ 16,400
Credentials	66.6%
WIA Older Youth	
Entered Employment	74.3 %
Retention	76.0%
Earnings Change	\$ 1,700
Credentials	58.5%
WIA Younger Youth	
Goal Attainment	96.7 %
Diploma Attainment	62.0%
Retention	72.4 %
WIA Customer Satisfaction	
Participants	79.0%
Employers	76.0 %
W-P Labor Exchange (LEX)	
Entered Employment	53.0%
Retention	81.0 %
Average Earnings	\$ 13,400

From:

David Tremplay

Date:

Monday, October 01, 2012 4:05:02 PM

Posted At: Conversation: WIA.PLAN RI State Plan RI State Plan

Subject: Attachments:

RI State Plan Signature Page 2. Assurances pdf

RI State Plan.Section 3.Assurances.pdf RI State Plan.Sections 1& 2..pdf RI State Plan.Signature Page 1.pdf

On behalf of the State of Rhode Island and Director Charles J. Fogarty I am pleased to forward to you Rhode Island's Integrated Workforce Plan for your consideration.

Regards,

David

David Tremblay
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Cranston, RI 02920
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### CUSTOMIZED TRAINING: 50 PERCENT EMPLOYER MATCH

The Rhode Island Department of Labor and Training, the state operational entity for the Workforce Investment Act (WIA), is requesting a waiver to permit the use of a sliding scale for the customized training employer match. The sliding scale would be based on the size of the business as follows:

□ no less than 10 percent match for employers with 50 or fewer employees

# Statutory and/or regulatory requirements to be waived:

percent contribution) will continue to apply.

☐ no less than 25 percent match for employers with 51-250 employees

WIA Section 101(8) and WIA Final Regulations at 20 CFR Section 663.715 define customized training and requires employers to pay not less than 50 percent of the cost of training.

For employers with more than 250 employees, the current statutory requirements (50

### Actions undertaken to remove state or local barriers:

There are no existing state statutory or regulatory barriers to implementing this waiver request.

# Goals and expected programmatic outcomes of waiver:

Customized training optimizes the resources available under workforce development initiatives to meet the needs of employers and job seekers. However, the current 50 percent employer match requirement limits the ability to market customized training programs to local employers. Local employers too often conclude that the 50 percent match requirement creates costs that outweigh the benefits of participating in a WIA customized training program.

The proposed sliding scale for the employer match will create the necessary flexibility for employers to provide the required match at a rate that more appropriately represents a particular business' or industry's cost benefit ratio of contributing to a match amount to receive skilled employees. Allowing businesses and industries to apply the sliding scale to determine the match amount will increase employer participation in WIA customized training programs at the local level. The sliding scale will answer small business owners' primary reason for not participating in the customized training. Boards will increase their participation rates for skilled job seekers that received training and found employment. Employers will benefit by having a labor pool with the marketable skills they require.

# Individuals impacted by the waiver:

The waiver will positively affect all of the state's WIA customers, employers and job seekers.

# Process for monitoring progress in implementation:

The State Workforce Investment Office of the Rhode Department of Labor and Training will monitor customized training programs as part of its annual WIA local program monitoring.

The state will also evaluate the LWIB's monitoring process as part of each local area's sub-recipient contract monitoring responsibilities.

### Notice to affected local board:

This request was developed at the request of local areas. As with all major workforce policies and procedures, the state has solicited dialogue and input from the local workforce boards and staff concerning the impact of this request. The local workforce areas support this request.

### Public comment:

# PROHIBITION ON USE OF YOUTH WIA DOLLARS TO FUND INDIVIDUAL TRAINING ACCOUNTS FOR OLDER YOUTH AND OUT-OF-SCHOOL YOUTH

The Rhode Island Department of Labor and Training (DLT), as the state administrative entity for the Workforce Investment Act (WIA), is requesting a waiver of Title 20 of the code of Federal Regulations (CFR) Section 664.510, under the provisions established in Section 189(i)(4)(B) of WIA. Section 664 prohibits the use of Individual Training Accounts (ITAs) for youth participation, except in the case they are determined eligible and are co-enrolled either as an adult or dislocated worker.

The waiver request, if approved, would allow the Governor of the State of Rhode Island to appropriately use ITAs for youth participants, based on a valid needs assessment of interests, skills and aptitudes. Under the current regulation, older youth (ages 18 and over) may, at the same time, be enrolled as adults and use ITAs as "adults." Also, there is no specified age for the Dislocated Worker program, which could mean that youth under the age of 18, could also meet the dislocated worker eligibility requirements, be co-enrolled and receive ITAs. Under the current regulations, expenditures or ITAs are charged to the adult or dislocated worker funding streams, rather than to the youth funding stream. This co-enrollment requirement is a duplicative and unnecessary process which does not allow local workforce boards to charge the cost of the ITA back to the youth account, but draws down "limited" adult funds. The current regulation also does not allow some of those expenditures to be appropriately counted towards the 30 percent out-of-school expenditure requirement.

This waiver would allow older out-of-school youth to select approved ITA programs from the Rhode Island Eligible Training Provider List, while retaining their youth classification. Training costs can be charged as out-of-school youth expenditures, thereby eliminating the need to track such expenditures across different funding streams as it is done presently.

# Statutory and/or regulatory requirements to be waived:

Title 20 CFR 664.510, Section 189(1)(4)(B) of WIA, prohibits the use of ITAs for youth unless they are found eligible for and co-enrolled in either the adult or dislocated worker program.

#### Actions undertaken to remove state or local barriers:

There are no existing state statutory or regulatory barriers to implementation of this waiver request.

# Goals and expected programmatic outcomes of waiver:

The approval of this waiver will maximize the service delivery capacity of the Workforce Investment Act (WIA) youth programs by allowing youth, who are employment-focused, to have the same access as adults and dislocated workers to the advantages of ITAs. Presently, the co-enrollment of youth in the adult programs contributes to unnecessary and duplicative paperwork, not to mention the additional tracking and reporting burden on activities, expenditures and outcomes by the local workforce boards.

By providing a waiver to allow the use of ITAs for youth (without the need for co-enrollment), in which assessment has determined that an ITA is the appropriate and best strategy for the youth, would allow the youth to be treated equally with an adult who has similar training needs. Being allowed to charge the ITA cost to the youth program instead of the adult or dislocated worker program, would reduce the dependence on "limited" adult funds and would contribute to the ability of the local boards to meet their 30 percent out-of-school expenditure requirement.

# The Goals and Programmatic Outcomes to be achieved by the waiver are:

**Goal:** Allow the state to train out-of-school youth, if their assessment concludes that employment is their logical choice, in demand occupations in conformity with the state's strategic plan. It would ensure that local boards have flexibility to deliver services based on individual needs of participants as intended under WIA.

**Outcome:** A large percentage of older and out-of-school youth either want to train for an occupation or obtain employment due to financial needs. With a waiver, older youth can pursue their occupational goals without the additional barrier of having to meet adult or dislocated worker eligibility requirements.

**Goal:** Eliminate duplicative paperwork for enrolling older youth into the adult programs. Coenrollment has little purpose other than to provide documentation and justification for accessing ITAs for youth.

**Outcome:** Granting the waiver will decrease state and local paperwork. Training providers would also benefit because they would no longer have to follow two separate processes to provide services to adults/dislocated workers and older worker youth.

**Goal:** Allow local workforce boards to improve their expenditures on out-of school youth and meet the federal mandate to expend 30 percent of youth funds for this population.

**Outcome:** With the training cost being charged directly to the youth funding stream instead of the adult or dislocated worker program; youth expenditure levels will improve and possibly contribute to the local workforce boards meeting their 30 percent of out-of-school expenditure requirements.

# Individuals impacted by the waiver:

This waiver will directly impact older WIA-eligible youth allowing them to benefit from training in a demand occupation. These customers would now directly receive the types of services afforded adult and dislocated workers that most closely and quickly meet their needs without unnecessary paperwork or tracking.

### Process for monitoring progress in implementation:

The State Workforce Investment Office of the Rhode Department of Labor and Training already has the responsibility to monitor the eligibility in the adult and youth categories and the corresponding suitability of charges to various the various funding streams.

# Notice to affected local boards:

This request was developed at the request of local areas. As with all major workforce policies and procedures, the state has solicited dialogue and input from the local workforce boards and staff concerning the impact of this request. The local workforce areas support this request.

### **Public comment:**

# EXTENSION OF INITIAL ELIGIBILITY FOR ALL TRAINING PROVIDERS ON THE STATEWIDE ELIGIBLE TRAINING PROVIDER LIST

## Background:

The State of Rhode Island developed and maintains an eligible training provider list (ETPL). The list is posted to the state's web site and includes cost information. Performance data is also available. In addition to requiring information related to WIA-funded students, the Act requires performance information for all students participating in the training providers' programs (Workforce Investment Act 122(d)(1)(A) (1998), 20 CFR 663.540 (a)(1)(i)(2000). The strict enforcement of this provision by the state unduly limits the training services available to WIA clients. While most training providers supply the state with performance information on all students, some do not. In addition, some providers, notably post-secondary public and private colleges, do not provide social security numbers. Consequently, the state is not able to test the veracity of the training provider's information in all cases. Despite many attempts to secure data with regard to all students from those providers seeking to join the state's ETPL, complete data has not been obtained. Therefore, the state is seeking a waiver of this aspect of WIA in order to move into compliance regarding the ETPL and to continue to provide meaningful and plentiful training options for our clients.

The Rhode Island Department of Labor and Training (DLT) as the state administrative entity for the Workforce Investment Act (WIA), is requesting a waiver to extend the period of "Initial Eligibility of Training Providers." This waiver will address the ETPL requirement for subsequent eligibility determination included in the Workforce Investment Act (WIA) Section 122(c)(5) and Title 20 of the Code of Federal Regulations (CFR) Section 663.530, related to eligible training provider provisions. This waiver request adheres to the format identified in WIA Section 189(i)(4)(B) and WIA Final Regulations at 20 CFR Section 661.420(c).

### Statutory and/or regulatory requirements to be waived:

The WIA Section 122(c)(5) and Title 20 CFR 663.530 dealing with the time limit for initial eligibility would be waived.

### Actions undertaken to remove state or local barriers:

There are no existing state statutory or regulatory barriers to implementation of this waiver request.

### Goals and expected programmatic outcomes of waiver:

The State of Rhode Island fully understands the need for accountability and supports efforts to ensure that customers are making informed decisions based on quality data; however, the ability to effectively collect the required data is limited and the results could adversely impact customer choice and limit training options for clients.

The goal is to increase the quality and quantity of all performance information for training providers on the state list of eligible training providers. The state will continue to pursue this goal but does not want to be in the position of forcing the elimination of quality training

providers or have providers opt out of the WIA system in the interest of complying with privacy concerns of their non-WIA clients. Our approach is that this is an ongoing process, whereby, the data available to clients will constantly improve over time.

The list of training offerings would be greatly expanded should this waiver request be approved. The Community College system, for example, is a critical provider that has been opting out of full participation in the Rhode Island ETPL system. The Community College system has been only applying for inclusion of its not-for-credit courses because of concerns with the privacy of their non-WIA student body. The Community College system would be able to offer for-credit courses on the ETPL that have not been offered before because of the subsequent eligibility requirements.

This waiver has been in place for several years and has allowed Rhode Island to expand the training choices available to our customers and to extract better and better performance information from individual providers on the ETPL.

### Individuals impacted by the waiver:

The waiver will positively affect all LWIAs and boards, training providers, local One-Stop staff, and customers.

### Process for monitoring progress in implementation:

The State Workforce Investment Office (SWIO) of the DLT has the responsibility to monitor all aspects of ETPL compliance.

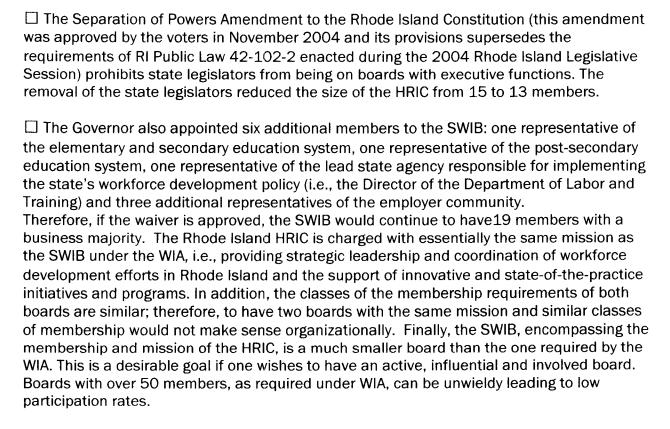
### Notice to affected local boards:

This request was developed at the request of local areas. As with all major workforce policies and procedures, the state has solicited dialogue and input from the local workforce boards and staff concerning the impact of this request. The local workforce areas support this request.

### **Public comment:**

# WORKFORCE INVESTMENT BOARD MEMBERSHIP REQUIREMENTS

The Rhode Island Department of Labor and Training (DLT), as the state administrative entity for the Workforce Investment Act (WIA), is requesting a waiver of the WIA membership requirements for the State Workforce Investment Board (SWIB). This waiver request, previously approved by the Department of Labor's Employment and Training Administration (ETA), has been in effect since 2005 and has allowed the Governor of the State of Rhode Island to create a SWIB that is paramount and at the same time in compliance with the approved membership requirements set forth in Rhode Island Public Law 42-102-2 (b) and the Rhode Island State Constitution. The SWIB's membership requirements encompass the membership requirements of the HRIC with two exceptions:



# Statutory and/or regulatory requirements to be waived:

The WIA contains requirements for SWIB membership at section 111(b). In the case of Rhode Island, the HRIC has essentially the same mission and membership requirements—though smaller in size. The creation of a separate SWIB under WIA would divide authority and responsibility between two public bodies with the same purpose. The following classes of HRIC membership are required under the state statute: six from the employer community, four members must be women, three must be minority community representatives, one member must represent the disabled community, and two legislators (Senate and House). The legislators, however, are excluded from membership on the State Workforce Investment Board and the HRIC by the RI Constitution. The Governor appointed the representatives of

three state agencies and four additional employer representatives and removed the two legislators. The State Workforce Investment Council encompassing the membership and mission of the HRIC would consist of 19 members—ten would be representing the employer community.

### Actions undertaken to remove state or local barriers:

There are no existing state statutory or regulatory barriers to implementation of this waiver request. The continued approval of the waiver will expedite the state's planning and implementation of WIA programs.

### Goals and expected programmatic outcomes of waiver:

The continued approval of this waiver request will give the Governor greater control over the development and achievement of Rhode Island's workforce development goals. The smaller SWIB appropriately modified with additional employer and state agency representation will be able to focus on strategic issues and be more effective.

# Individuals impacted by the waiver:

The workforce development system and all Rhode Islanders (both job seekers and employers) would be impacted by the approval of this waiver. A smaller and more efficient board will provide strategic leadership, aligned policies and more effective workforce development programs.

### Process for monitoring progress in implementation:

The SWIO of the DLT already has the responsibility to monitor the composition of the SWIB and ensure their compliance with member requirements.

#### Notice to affected local boards:

As with all major workforce policies and procedures, the state has solicited dialogue and input from the local workforce boards and staff concerning the impact of this request.

# **Public comment:**

Rhode Island intends to place this waiver request on its web site, accept comments from the public either verbally at a public hearing or in writing, and discuss it at open meetings of the state and local workforce boards to ensure transparency and to allow for meaningful public comment and input from all interested parties, including, but not limited to, business and organized labor.

# TO ALLOW THE STATE OF RHODE ISLAND TO USE RAPID RESPONSE FUNDS FOR INCUMBENT WORKER TRAINING

The State of Rhode Island Department of Labor and Training (DLT), the state's Workforce Investment Act's (WIA) administrative entity, requests a waiver to allow 20 percent of rapid response funds to be used to support Rhode Island incumbent worker training activities as needed in the context of layoff aversion. This waiver provides Rhode Island with the needed flexibility to meet the growing need of employers who are experiencing difficulty during this economic downturn. Rhode Island's unemployment rate continues to hover near the highest in the nation (July 2012 rate was 10.9 percent).

Background: When workers lack needed training and businesses experience skill gaps, the company's ability to retain workers can be compromised. Rhode Island's Incumbent Worker Training Program addresses such needs. The purpose of the program is to help established Rhode Island businesses provide training and education for current workers, resulting in layoff aversion and reduced employee turnover. The specific objectives of the program include upgrading employee skills, providing training in portable (transferable) skills and contributing to business retention. The WIA State Plan as well as the Strategic Workforce Plan for Rhode Island 2009-2014 both speak to the importance of maximizing the capacity of the workforce development system to align, unite and flexibly address the skill demands of all employers and job seekers. The need for this flexibility in funding is clear. As an example, manufacturing in Rhode Island has been particularly hard hit and it is necessary for companies who remain in business to reinvent themselves in order to continue to employ Rhode Islanders and meet the challenging demands of this economy.

# Statutory and/or regulatory requirements to be waived:

Rhode Island requests the waiver of WIA Section 134(a)(2)(A) and WIA Regulations 20 CFR 665.310 through 20 CFR 665.320 that establish allowable statewide rapid response activities and uses for set-aside rapid response funds.

### Actions undertaken to remove state or local barriers:

There are no state or local barriers to implementing the requested waiver.

### Goals and expected programmatic outcomes of waiver:

Broadly speaking, this waiver will enhance the state's efforts at providing prospects for individuals currently employed in companies struggling to avoid layoffs of employees. The local, state, regional and national economy will benefit from the upward mobility of workers. Rhode Island's layoff aversion strategy was approved by the Governor's Workforce Board in September of 2008, during the recession. The Rhode Island Business Retention and Expansion Initiative (BREI) is both a service and potential investment strategy designed to retain and sustain business growth and employment. It is a collaborative effort comprised of many different organizations, each of whom brings distinctive areas of expertise. Members include, but are not limited to, the Board, the DLT, Economic Development Agencies (both statewide and local), Chambers of Commerce, Industry Partners and educational institutions. The objective of the BREI is to provide and support various strategies that will,

at a minimum, maintain the stability of a company, and therefore, its workforce. Although the BREI encompasses both business retention and workforce expansion, funds utilized under this waiver will only be used for layoff aversion activities and all training activities will be geared toward skill attainment. At this time, no specific industry will be targeted; initially, the focus may be on companies participating in the WorkShare program. These companies have already reduced the hours of their workers due to a slowdown in business. If the company, in conjunction with the BREI team, determines that training is an appropriate service which will allow the workers to remain employed, the rapid response incumbent worker training funds would be utilized the offset the cost of the training. Training may not always be the solution for the company; in those cases, all of the other available partner services will be made available, as appropriate, to the business. The state will use the established, applicable WIA performance measures and standards to assess the effectiveness and efficiency of the activities allowed under this waiver. The State of Rhode Island will report progress on these elements to federal authorities as required. The use of rapid response funds for this purpose will not diminish the ability of Rhode Island to provide dislocated worker services as needed.

# Individuals impacted by the waiver:

Both employers and incumbent workers will be impacted by this waiver. It is imperative that employers have options to avert layoffs or plant closures. One option is that of retraining the current workforce to meet the growing needs of business. This may require new skills or advanced skills enabling an employee to multi-task within an organization. For the employee, simply to remain employable may require the attainment of new skills and/or credentials. Rhode Island intends to use this waiver as one layoff aversion strategy employers can utilize as they strive to remain in business.

# Process for monitoring progress in implementation:

DLT, as the state administrative entity of WIA, will be responsible for the monitoring of all WIA-funded incumbent worker activities. This waiver will be incorporated into the administrative entity's monitoring procedures including a periodic review of how well the measures/standards are being met.

### Notice to affected local boards:

As with all major workforce policies and procedures, the State has solicited dialogue and input from the local workforce boards and staff concerning the impact of this request. The local workforce areas support this request.

### **Public comment:**

# TO ALLOW THE STATE OF RHODE ISLAND TO INCREASE EMPLOYER REIMBURSEMENT FOR ON THE JOB TRAINING

The Rhode Island Department of Labor and Training (DLT), the state's Workforce Investment (WIA) administrative entity, requests a waiver to modify the requirements found in WIS Section 101 (31)(B) and 20 CFR 663.710. This waiver will allow the implementation of a sliding reimbursement scale, based on company size, for employers participating in the Dn-the-Job-Training (OJT) program. The following reimbursement amounts will be utilized Up to 90 percent for employers with 50 or fewer employees  Up to 75 percent for employers with 51-250 employees for employers with more than 250 employees, the current statutory requirements (50 percent reimbursement) will continue to apply.	IA a
Statutory and/or regulatory requirements to be waived: Shode Island requests a waiver of WIA Section 101 (31)(B) and WIA Regulations 20 CFR (63.710) which states that employers may be reimbursed up to 50 percent of the wage refer an OJT participant for the extraordinary costs of providing training and additional upervision related to the OJT.	
ctions undertaken to remove state or local barriers: There is no existing state or local barrier to implementing the requested waiver.	
doals and expected programmatic outcomes of waiver: decause of the waiver, the state expects that the OJT program services will expand to reach ore employers and trainees alike. The Strategic Workforce Plan for Rhode Island 2009-2014 puts a high emphasis on the value of employer involvement in training. The particle of the waiver is to provide the state a greater flexibility in responding to the local labor markets. WIA funds will be utilized in a manner that maximizes the state's response to the equests of 59 businesses in need by delivering job training and workforce development ervices that are relevant to the local economy. By increasing the current employer OJT elimbursement rate for businesses, the state workforce system will be able to more effectively market WIA-funded on-the-job training. This increase will support job creation reate the necessary flexibility for employers to be reimbursed at a level more suitable to neir needs thus resulting in an increase of business participation and an improvement one percentage of job seekers that receive training and training-related employment.	goal ee and
he following goals and outcomes are expected:  Increase employment opportunities for harder to serve individuals such as the long te nemployed, older workers and those with limited or sporadic job histories  Increase the percentage of employers using OJT as a means of hiring and retaining a killed workforce  Increase number and percentages of workers trained and hired through OJT programs  Raise skill proficiencies for workers that will result in increased worker viability	

Adults and dislocated workers as well as participating employers will all be impacted by the waiver in that the OJT program will be more responsive to their needs.

# Process for monitoring progress in implementation:

DLT, as the state administrative entity of WIA, is responsible for the monitoring of all WIA-funded activities and will incorporate the implementation of this waiver into existing procedures. The local workforce boards will also continue to monitor the activity.

### Notice to affected local boards:

This request was developed at the request of local areas. As with all major workforce policies and procedures, the state has solicited dialogue and input from the local workforce boards and staff concerning the impact of this request. The local workforce areas support this request.

### Public comment:

# TO REDUCE THE COLLECTION OF PARTICIPANT DATA FOR INCUMBENT WORKERS

The Rhode Island Department of Labor and Training (DLT), the state's Workforce Investment Act (WIA) administrative entity, requests a waiver to allow the state to discontinue the collection of seven of the data elements in Section 1 of the WIASRD for incumbent workers trained with WIA funds. The state seeks to reduce the data collection burden for businesses served under WIA-funded incumbent worker training programs. Under the waiver, the state would not collect the following WIASRD data elements: single parent (117), unemployment compensation eligible status at participation (118), low income (119), TANF (120), other public assistance (121), homeless individual and/or runaway (125), and offender (126).

Statutory and/or regulatory requirements to be waived: 20 CFR 667.300(a).

# Actions undertaken to remove state or local barriers:

There is no existing state or local barrier to implementing the requested waiver.

### Goals and expected programmatic outcomes of waiver:

Because of the waiver, the state expects to reduce the data collection burden for businesses being served under WIA-funded incumbent worker training programs. The Strategic Workforce Plan for Rhode Island 2009-2014 puts a high emphasis on the value of employer involvement in training. The goal of this waiver is to minimize the data collection requirements of the employers for incumbent worker training so that they are not unnecessarily burdened with federal data collection requirements that do not provide relevant program information. Expected program outcomes include allowing the state flexibility to offer incumbent worker services and enhancing services to businesses along with increasing flexibility to engage and work with businesses in improving skills of the employer's workforce.

### Individuals impacted by the waiver:

The waiver will directly impact the staff of the businesses and the Department's reporting and recordkeeping staff. It may also make the process of participating in WIA-funded incumbent worker training more attractive to employers, thus increasing business involvement and positive outcomes for companies and workers alike.

### Process for monitoring progress in implementation:

DLT, as the state administrative entity of WIA, is responsible for the monitoring of all WIA-funded activities and will incorporate the implementation of this waiver into existing procedures.

### Notice to affected local boards:

As with all major workforce policies and procedures, the State has solicited dialogue and input from the local workforce boards and staff concerning the impact of this request. The local workforce areas support this request.

### **Public comment:**

# TO EXEMPT THE STATE FROM INCLUDING CREDENTIAL ATTAINMENT OUTCOMES FOR ON-THE-JOB TRAINING PARTICIPANTS

The Rhode Island Department of Labor and Training (DLT), the state's Workforce Investment Act (WIA) administrative entity, requests a waiver to exempt the state from including credential/certificate attainment outcomes for participants enrolled in the WIA On-the-Job-Training (OJT) program.

# Statutory and/or regulatory requirements to be waived:

Rhode Island requests the waiver of WIA Regulations 20 CFR 666.100 (a) (I) (iv) for Adults and 20 CFR 666.100 (a) (2) (iv) that requires attainment of a recognized credential/certificate for performance. This waiver is being requested to exclude individuals who are participating in OJT program services from inclusion in the WIA credential/certificate attainment standards. They will continue to be included in all other applicable performance standards.

### Actions undertaken to remove state or local barriers:

There is no existing state or local barrier to implementing the requested waiver.

# Goals and expected programmatic outcomes of waiver:

Because of the waiver, the state expects that the OJT program services will expand to reach more employers and trainees alike. The Strategic Workforce Plan for Rhode Island 2009-2014 puts a high emphasis on the value of employer involvement in training. The goal of the waiver is to give the local workforce investment areas greater flexibility and access to use of the OJT program without negatively impacting upon credential/certificate-related performance standards. It allows the training program design to be more responsive to employer and employee needs as it can be specifically created for that industry, business or worksite. Eliminating the credential/certificate reporting requirement for those participating in the OJT program will encourage its use and have a positive effect on retention and average earnings performance outcomes.

# The following goals and outcomes are expected:

### Individuals impacted by the waiver:

Adults and dislocated workers as well as participating employers will all be impacted by the waiver in that the OJT program will be more responsive to their needs.

### Process for monitoring progress in implementation:

DLT, as the state administrative entity of WIA, is responsible for the monitoring of all WIA-funded activities and will incorporate the implementation of this waiver into existing procedures. Local Workforce Boards will also continue monitoring of the activity.

### Notice to affected local boards:

This request was developed at the request of local areas. As with all major workforce policies and procedures, the state has solicited dialogue and input from the local workforce boards and staff concerning the impact of this request. The local workforce areas support this request.

### **Public comment:**

# TO EXEMPT THE STATE FROM THE REQUIREMENT TO CONDUCT EVALUATIONS

The Rhode Island Department of Labor and Training, the state operational entity for the Workforce Investment Act (WIA), is requesting a waiver to exempt the state from the requirement to conduct evaluations.

### Statutory and/or regulatory requirements to be waived:

Rhode Island requests a waiver of WIA Section 134(a)(2)(B)(ii) and 20 CFR 665.200)(d) requiring the conduct of evaluations of workforce investment activities for adults, dislocated workers and youth.

### Actions undertaken to remove state or local barriers:

There is no existing state or local barrier to implementing the requested waiver.

# Goals and expected programmatic outcomes of waiver:

state's ability to effectively fund and carry out all of the required statewide workforce investment activities. The current funding level in the Governor's Reserve is insufficient to cover the cost of evaluations and incentive grants to local areas. The state's reduced funds are being used to cover the following required activities:

☐ Operating fiscal and management accountability information systems
☐ Submitting required reports
☐ Disseminating the list of eligible training providers for adults and dislocated workers
☐ Providing technical assistance to poor performing local areas
☐ Disseminating training provider performance and cost information
Our goal in seeking this waiver is to ensure that the state may prioritize the use of Governor's Reserve funds for the required activities we deem most essential to the basic

The reduction to five percent in the WIA allotment Governor's Reserve funds restricts the

### Individuals impacted by the waiver:

This waiver will provide the state agency with more flexibility in directing Governor's Reserve funds to those activities that best preserve basic functions of the statewide workforce investment system.

# Process for monitoring progress in implementation:

functions of the workforce investment system.

The state will monitor progress and ensure accountability for federal funds in connection with these waivers by reviewing monthly expenditure, performance and other reports, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system.

### Notice to affected local boards:

Both local boards were notified of the waiver requests and of the public comment period at their respective Executive Committee meetings by a staff representative of the State Workforce Board. The local workforce areas support this request.

# **Public comment:**

### TO EXEMPT PROVIDING INCENTIVE GRANTS TO LOCAL AREAS

The Rhode Island Department of Labor and Training (DLT), the state's Workforce Investment Act (WIA) administrative entity, requests a waiver from the requirement to provide incentive grants to local workforce investment areas.

### Statutory and/or regulatory requirements to be waived:

Rhode Island requests a waiver of WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) requiring provision of incentive grants to local areas.

### Actions undertaken to remove state or local barriers:

There is no existing state or local barrier to implementing the requested waiver.

## Goals and expected programmatic outcomes of waiver:

The reduction to five percent in the WIA allotment for Program Year (PY) 2011 Governor's
Reserve funds restricts the state's ability to effectively fund and carry out all of the required
statewide workforce investment activities. The current funding level in the Governor's
Reserve is insufficient to cover the cost of evaluations and incentive grants to local areas.
The state's reduced funds are being used to cover the following required activities:
☐ Operating fiscal and management accountability information systems
☐ Submitting required reports
☐ Disseminating the list of eligible training providers for adults and dislocated workers
☐ Providing technical assistance to poor performing local
☐ Disseminating training provider performance and cost information
Our goal in seeking this waiver is to ensure that the state may prioritize the use of
Governor's Reserve funds for the required activities we deem most essential to the basic
functions of the workforce investment system.

# Individuals impacted by the waiver:

This waiver will provide the state agency with more flexibility in directing Governor's Reserve funds to those activities that best preserve basic functions of the statewide workforce investment system.

### Process for monitoring progress in implementation:

The state will monitor progress and ensure accountability for federal funds in connection with these waivers by reviewing monthly expenditure, performance and other reports, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system.

### Notice to affected local boards:

Both local boards were notified of the waiver requests and of the public comment period at their respective Executive Committee meetings by a staff representative of the State Workforce Board. The local workforce areas support this request.

#### Public comment:

# ALLOW A PORTION OF DISLOCATED WORKER LOCAL FUNDS TO BE USED FOR STATEWIDE ACTIVITIES. SPECIFICALLY INCUMBENT WORKER TRAINING

The Rhode Island Department of Labor and Training (DLT), the state's Workforce Investment Act (WIA) administrative entity, requests a waiver to allow a portion of Dislocated Worker Funds to e used for statewide activities, specifically incumbent worker training.

### Statutory and/or regulatory requirements to be waived:

Rhode Island requests a waiver of WIA Section 134(a) to allow a portion of dislocated worker local funds to be used for statewide activities, specifically incumbent worker training (IWT). The state requests that up to 20 percent of dislocated worker funds be used for the purpose of lay-off aversion only. IWT is a necessary strategy for upgrading current employee skills which promotes employee retention, career pathways, increased wages and job creation. A better trained, highly qualified workforce supports business growth and opens opportunities for further employment opportunities and is directly related to the goals of Rhode Island's workforce development system as outlined in the Governor's Workforce Board (The Board) State Strategic Plan.

### Actions undertaken to remove state or local barriers:

There is no state or local barriers to implementing the waiver.

# Goals and expected programmatic outcomes of waiver:

With this waiver, the local workforce boards will be able to offer IWT activities to Rhode Island businesses whose workforce needs skill improvement in order to compete in an ever-changing, technologically-rich commerce. Recently, there has been a substantial increase in requests from Rhode Island businesses for IWT. There is a shortage of qualified workers that have the skills required for new and emerging technologies and applications that allow businesses to remain competitive and support growth. This waiver provides the opportunity to more effectively address layoff aversion by expanding IWT activities with a demand-driven, business focus. Investing public resources to support technical, operational or soft skills training of workers is a practical strategy for layoff aversion; it retains good jobs, creates more jobs as workers are promoted and preserves critical industries in Rhode Island. A better trained workforce is the most effective retention tool. We expect that the refined skill set of incumbent workers participating in IWT will allow companies to increase production, become more competitive, benefit from fiscal prosperity and create more jobs.

### Individuals impacted by the waiver:

☐ Incumbent workers, businesses, and local boards will all benefit from the approval of this waiver. The incumbent workers and businesses will be able to avoid layoffs; local boards will be better positioned to meet the needs of their business customers. In addition, unemployed workers will also be positively impacted in that they may be able to move into job openings as the newly-trained incumbent workers are promoted. Well-trained, highly qualified employees are the focus of this waiver. The impact promotes business growth, increased productivity and overall competitiveness that result in a skilled workforce with opportunities for increased wages, prospects for career growth and job creation.

# Process for monitoring progress in implementation:

Rhode Island currently has a waiver to utilize a portion of Rapid Response funds for Incumbent Worker Training; the policies and processes developed for implementation of that program will serve as guidance for the local areas. The state will develop policy and provide training to the local area staff. As a direct recipient of federal funds, Rhode Island maintains administrative procedures which include fiscal, compliance, programmatic, and performance monitoring processes. Monitoring encompasses a review of all requirements appropriate to activities, contract obligations, work site appropriateness, and fiscal regulation. Timely corrective actions are expected when violations of policy, regulations, or law are found. All monitoring and corrective actions are documented and maintained on file per federal record retention requirements. Monitoring is on-going, and occurs as frequently as necessary to ensure compliance. Direct oversight of training activities will be the responsibility of the local boards who will receive comprehensive documentation of all training and expenses, participant data and performance outcomes to ensure compliance with state and federal guidelines. Locally-funded incumbent worker training will also be reported as required in the quarterly submission of WIASRD data.

### Notice to affected local boards:

The waiver request is being submitted at the request of the local boards.

### **Public comment:**